From:	Collardi, Boris <boris.collardi@juliusbaer.com>
To:	ehud barak <ehbarak1@gmail.com>
CC:	
Date:	Wed, 9/3/2014 7:26:41 PM
Subject:	FW:

Sorry Mr. Barak, this is on the rumours of last week. We take care of the other stuff and will send it asap.

Kind regards
Edith

From: Steinmann, Edith **On Behalf Of** Collardi, Boris
Sent: Mittwoch, 3. September 2014 16:52
To: 'ehud barak'
Subject:

Dear Mr. Barak

We will gladly translate the two German articles sent you last week. However, the article below is already the next stage information summarising the topic.

Kind regards
Edith

BREAKINGVIEWS-Credit Suisse/Baer tie-up would have weak logic

Mon Sep 1, 2014 10:06am BST

(The author is a Reuters Breakingviews columnist. The opinions expressed are his own.)

By Dominic Elliott

LONDON, Sept 1 (Reuters Breakingviews) - The idea that Credit Suisse should buy Julius Baer looks like it originated in a Zurich beer hall. The city's latest parlour game is to imagine a tie-up between Switzerland's second-biggest bank by assets and the country's largest standalone wealth manager. The financial and strategic logic of such a move seems weak.

Shares in Julius Baer climbed 2.3 percent on Aug. 29 after industry website Inside Paradeplatz said Credit Suisse was tentatively considering buying the group. One reported justification was to aid succession planning by providing Chief Executive Boris Collardi as a possible replacement for Brady Dougan, who has spent seven years in the same role at Credit Suisse.

Paying, say, a 30 percent premium to Baer's 9.1 billion Swiss francs ($10 billion) market value would be an odd and expensive way to acquire a new CEO. Collardi has no experience in investment banking, a sizeable part of Credit Suisse, which is capitalised at over 41 billion Swiss francs.

The strategic grounds for a deal are tenuous. Buying Julius Baer would help Credit Suisse regain some share in European onshore private banking, where it has ceded ground to rival UBS in recent years. Still, this is a business with weak margins. The priority should be growth in emerging markets.

Moreover, integrating financial services systems is always a nightmare. Baer is still struggling to incorporate Merrill Lynch's overseas wealth business. Credit Suisse took five years to merge fully with Clariden Leu. Cultural differences could complicate the process. Credit Suisse's identity is still part Wall Street. That could grate with Baer wealth advisers. Indeed, a tie-up would also deprive Julius Baer of part of its allure for some clients - its own lack of an investment bank.

If that wasn't enough, Baer is yet to settle with U.S. authorities over allegations it abetted American citizens evade taxes. Regulators back home are set to review too-big-to-fail legislation at the start of next year, and Swiss supervisors remain leery of big banks. Both firms have plenty to do: Credit Suisse in succession planning, Julius Baer in dealing with the United States. They don't need the distraction of a merger.

*****JuliusBaer Disclaimer***** This e-mail is for the intended recipient only and may contain confidential or privileged information. If you have received this e-mail by mistake, please contact us immediately and completely delete it (and any attachments) and do not forward it or inform any other person of its contents. If you send us messages by e-mail, we take this as your authorisation to correspond with you by e-mail, however, we reserve the right not to execute orders and instructions transmitted by e-mail at any time and without further explanation. If you do not wish to receive any further e-mail correspondence please let us know. E-mail transmission cannot be guaranteed to be secure or error-free as information could be intercepted, amended, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. Neither the Julius Baer Group nor the sender accept liability for any errors or omissions in the content of this message which arise as a result of its e-mail transmission. Please note that all e-mail communications to and from the Julius Baer Group may be monitored. This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction.